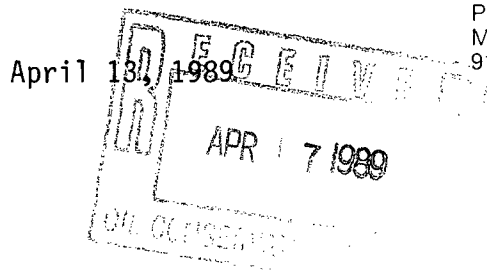




**Sun Exploration and
Production Company**

No 24 Smith Road
ClayDesta Plaza
PO Box 1861
Midland TX 79702 9970
915 688 0300



Mr. David Catanach
Energy & Mineral Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

RE: Request for Exception to Rule 303-A
Downhole Commingling
Sun Exploration & Production Company
New Mexico 'R' State No. 2, Unit "H"
2129' FNL & 660' FEL, Sec 33,
T-13-S, R-34-E
Cerca Upper Penn
Cerca Lower Wolfcamp
Lea County, New Mexico

Dear Mr. Catanach:

Sun Exploration and Production Company requests administrative approval for an exception to Rule 303-A to permit the downhole commingling of production in the subject well from the Cerca Upper Penn and Cerca Lower Wolfcamp pools in Lea County, New Mexico.

Sun performed a workover on the subject well from 3-14-89 thru 3-16-89. The work included acidizing the original perfs at 10398-407 in the Cerca Upper Penn and adding two sets of perfs, 10314-21 and 10341-58, in the Cerca Lower Wolfcamp. These perfs were found to be tight and unable to be broken down with acid and therefore are not contributing production in the well.

It was not realized by Sun that the perf additions at 10314-21 and 10341-58 were considered to be in a different pool from the Cerca Upper Penn. However, prior to performing the workover, proper commission approval had been gained.

New Mexico 'R' State No. 2
Page 2
April 13, 1989

Because perfs are open in the Cerca Lower Wolfcamp pool and Cerca Upper Penn pool, downhole commingling permission is requested. However, since the Wolfcamp perfs were tight and non-productive, no additional information for this application is deemed pertinent.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Goodwin". The signature is fluid and cursive, with the first name "Bruce" and last name "Goodwin" clearly distinguishable.

Bruce Goodwin
Production Engineer
(915) 688-0419

pk

Attachments:

1. Well History
2. Completion Log
3. Production Curve
4. Form C-103
5. Form C-116

NEW MEXICO 'R' STATE NO. 2

WELL HISTORY

LOCATION: 2129' FNL & 660' FEL, SEC 33, T-13-S, R-34-E, UNIT "H",
CERCA UPPER PENN FIELD, LEA COUNTY, NEW MEXICO

ELEVATION: KB - 4153 GL - 4140

DEPTHS: TD - 10500 CS - 10500 PBD - 10454 (WL)

SPUD DATE: 09-08-69 COMPLETED: 10-14-69

CSG DATA: SURFACE - 13-3/8", 48#, H-40, STC CSG. CS \pm 455'.
CMT'D W/250 SKS INCOR. CIRC 4 SKS TO SURFACE.

INTERMEDIATE - 8-5/8", 24 & 28#, J-55 & H-40, STC & LTC CSG.
CS \pm 4500'. CMT'D W/300 SKS INCOR. DID NOT CIRC
CMT. TOC \pm 2282 - CALCULATED.

PRODUCTION - 5-1/2", 15.5 & 17#, J-55 & N-80, BUTT, STC & LTC
CSG. CS \pm 10500'. CMT'D W/200 SKS INCOR. TOC
 \pm 9350 VIA T.S.

LOGS AVAILABLE:

1. DRESSER-ATLAS GR/BHC SONIC DATED 10-6-69 FROM 10493-SURF.
2. DRESSER-ATLAS GR/LATEROLOG DATED 10-6-69 FROM 10492-4500.
3. MCCULLOUGH GR/CCL DATED 10-10-69 FROM 10452-9702.

WELL HISTORY:

10-10-69 BEGAN COMPLETION. MCCULLOUGH RAN GR/CCL FROM 10452 TO 9702
(WL TD 10454'). PERF PENN "A" LIME SET I 10398, 400, 403,
405, 407, 1 JSPF, TOTAL 5 HOLES W/3-1/8" CG.

10-11-69 DOWELL ACIDIZED 10398-407 W/1000 GALS 15% BDA. BDP - VAC,
FP - 0, ISIP - VAC. AIR 3 BPM. SWAB & FLOW BACK L&AW.

10-14-69 I.P. 24 HRS F 309 BO, 10 BLW, 134 MCF, 48/64" CHOKE, 50# FTP,
GOR 435-1, 43.5° API. FINAL REPORT.

03-04-78 DUMP ACID JOB FOR POSSIBLE SCALE BUILD-UP. A.A. OILFIELD
SERVICE PUMP 500 GALS 15% NEFEHCL DN ANNULUS. FLUSHED ACID
W/30 BBLS LEASE OIL. LEFT WELL SHUT-IN 4 HRS. RESUMED
PUMPING. NO CHANGE IN PRODUCTION BASED ON PRODUCTION CURVE.

11-88 LAST TEST: 18.8 BO, 7 BW, 12.7 MCF

CUMULATIVE PRODUCTION (THRU 11/88): 256.6 MBO, 203.9 BSCF

DRESSER-ATLA
GR/BHC SONIC
DATED 10-6-69
KB - 4153
GL - 4140

T/WOLF CAMP
(-6159)

T/PENN "A"
(-6243)

10300

Wolfcamp

10311
4152
-6159

10314-23

10341-58

Penn. "A"

10395
4152
-6243

10400

Perf 10398 400 03,05 & 07 w/ 1 @
Adz w/ 1000 gal
IPE 309 B0 + 10 BLW / 24
TP 50# GOR 435-1 10-14-69

Penn. "B"

10424
4152
-6272

W.L. FSD
± 10451'

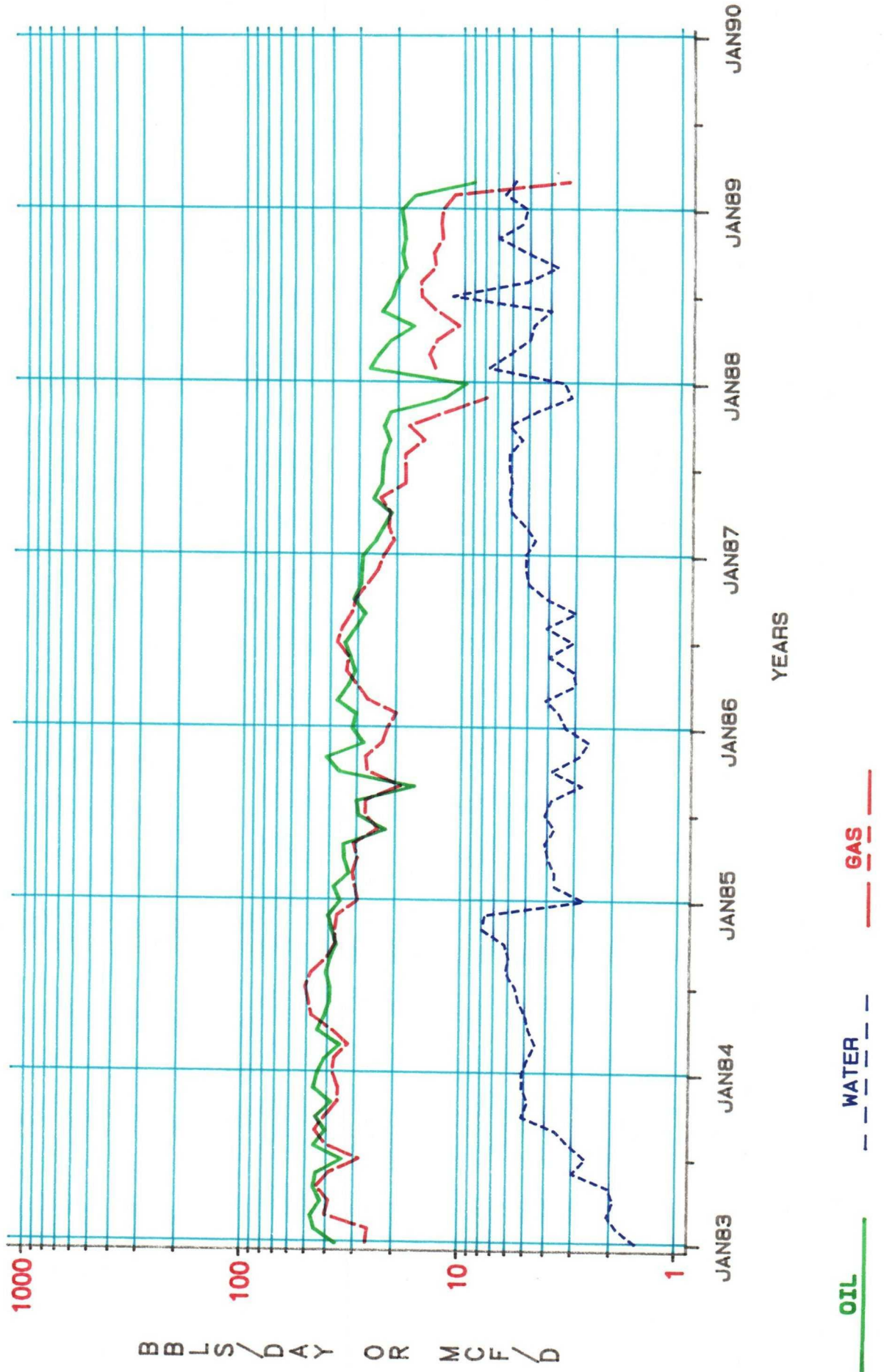
5 1/2" W / 200 SX

10500

TD

NEW MEXICO R STATE NO.2

SUN EXPLORATION AND PRODUCTION



DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-025-23266

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
065217

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
OIL WELL ☒ GAS WELL ☐ OTHER ☐

2. Name of Operator
Sun Exploration & Production Co.

3. Address of Operator
P.O. Box 1861, Midland, Texas 79702

4. Well Location
Unit Letter H : 660 Feet From The East Line and 2129 Feet From The North Line

Section 33 Township 13-S Range 34-E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

4140' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Add Perfs ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3/14/89 Perf Wolfcamp Set I & II from 10341-58 & 10314-21 WD 1 JSPF 27 holes.
Howco spot & Displaced 1500 gal's 15% NEFCHCL acid into Penn perfs 10398-407.
Raised and reset RBP @10,375' tested to 1500' O.K. Howco spot 2 BBL's 15% NEFCHCL
Acid from 10360-274', raised and set pkr @ 10205'. pressured annulus to 1000# Howco
attempt to acidz wolfcamp set I & II perfs from 10314-58 w/3500 gal 15% NEFCHCL acid,
pumped into the perfs @ 1/2 BPM 4200#, opened by-pass*, continued pumping @ 1/2 BPM 4200#
tbq communicated w/ annulus, open by pass rev acid to Pit.
3/15/89 Set pkr at 10170' press annulus to 1000#, Howco EIR into Wolfcamp perfs Set I & II
10314-58 w/2% KCL wtr 1 BPM at 4800# before switching to acid press communicated to
annulus.
3/16/89 RIH w/ 2 3/8" & 2 7/8" tbq. TS 10434' RIH w/2" X 1 1/4 X 24' pump.
3/31/89 24P 11 Bo 20 BLW 8 MCF

* Spotted Acid to pkr, closed by pass.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Maria L. Perez TITLE Accountant DATE 4-10-89

TYPE OR PRINT NAME Maria L. Perez TELEPHONE NO. 915 688-0375

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit 2 copies to Appropriate District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

Operator Sun Exploration & Production Co.		Pool Cera (Upper Penn.)		County Lea										
Address P.O. Box 1861, Midland, Texas 79702		TYPE OF TEST - (X)		Completion <input type="checkbox"/> Special <input checked="" type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.	
		U	S	T						R	WATER BBL.S.	GRAV. OIL		OIL BBL.S.
New Mexico "R" State	2	H	33	13	34	3-31-89	P			24	20	11	8	727/1

Instructions:
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F.
Specific gravity base will be 0.60.
Report casing pressure in lieu of tubing pressure for any well producing through casing.
(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Maria L. Perez
Signature
Maria L. Perez Accountant
Printed name and title
4-10-89
Date
915 688-0375
Telephone No.



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

May 15, 1989

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Sun Exploration &
Production Company
P.O. Box 1861
Midland, Texas 79702 9970

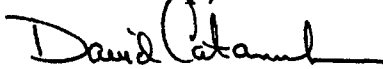
Attention: Bruce Goodwin

Dear Bruce:

I have received your application dated April 13, 1989 for authorization to downhole commingling the Penn and Wolfcamp intervals in the New Mexico "R" State Well No. 2 located 2129 feet from the North line and 660 feet from the East line (Unit H) of Section 33, Township 13 South, Range 34 East, NMPM, Lea County, New Mexico. I have examined the application and find everything in order except that it is deficient in notice to offset operators as stipulated in Division Rule 303. Regardless of the producing capabilities of the Wolfcamp interval, proper offset operator notification is necessary to approve the application. Please send notification of the proposed commingling to all offset operators and please furnish a copy of said notification to me.

If you have any questions, please contact me at (505)827-5800.

Sincerely,


David Catanach
Engineer



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

4-17-89

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RECEIVED

APR 20 1989

OIL CONSERVATION DIV.
SANTA FE

RE: Proposed:

MC _____
DHC ☒ _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Sun Expl + Prod Co. New Mexico "R" State #2-H 33-13-34
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

*OK - this just clears up
paper work for us*

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed